

Howard County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Howard County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Howard County has one cross-county unit. Bachelor Creek Conservancy district crosses from Carroll, the major county, into Howard. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$3.9 million or 3.07%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the Kokomo Civil City (\$1,489,059), the Western School Corp (\$1,117,963), and Northwestern School Corporation (\$935,797).

Howard County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$13,176,185	\$10,008,796	-3,167,398	-24.04%
Children's Psychiatric Res Treatment	183,671	234,720	51,049	27.79%
Cumulative Bridge	564,131	1,031,880	467,749	82.91%
County Jail Revenue Fund	-0-	3,086,783	3,086,783	-%

Howard County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$1,255,083	\$1,186,884	-\$68,199	-5.43%

Total County levy increased by \$637,350 or 3.27%. County Jail Revenue Fund levy created in statute for Howard County.

Center Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$599,077	\$498,635	-\$100,442	-16.77%
Township Assistance	599,077	403,203	-195,874	-32.70%
Parks and Recreation	-0-	479,549	479,549	-%

Total Township levy increased \$184,909 or 13.47%. New Parks and Recreation fund created for a township park. Other civil levies reduced to help offset cost.

Kokomo Civil City

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$24,729,840	\$27,012,753	\$2,282,913	9.23%
Fire Pension	3,197,596	2,797,740	-399,856	-12.50%
Police Pension	1,997,837	1,798,356	-199,481	-9.98%

Total City levy increase of \$1,489,059 or 4.44%.

Northwestern School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$5,010,318	\$5,666,557	\$656,239	13.10%
Debt Service	1,601,403	1,740,235	138,832	8.67%

Total School levy increase of \$935,797 or 9.27%. Debt service increased due to increased debt payments in 2008.

Western School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$1,782,444	\$2,875,686	\$1,093,242	61.33%
School Pension Debt	369,804	243,817	-125,987	-34.07%
Bus Replacement	449,566	279,712	-169,854	-37.78%

Total School levy increase of \$1,117,963 or 11.71%. Debt service increased due to increased debt payments in 2008 from lease approved in 2006.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	12.80%
Industrial	1.48%
Commercial	0.56%
Residential	-1.21%
Exempt	-47.21%
Utility	8.89%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	4.87%	5.75%
Industrial	6.98%	7.41%
Commercial	16.56%	17.42%
Residential	61.72%	63.79%
Exempt	9.58%	5.29%
Utility	0.29%	0.33%

As can be seen from the analysis, a shift from residential, industrial, and exempt property to agricultural and commercial property occurred. This shift was approximately 4.14%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
CENTER TOWNSHIP	-2.20%	-0.71%	1.52%	6.10%	7.70%	-2.47%
KOKOMO CITY -						
CENTER TOWNSHIP	-1.58%	0.53%	2.15%	4.95%	6.41%	-4.48%
KOKOMO CITY -						
CLAY TOWNSHIP	7.48%	7.69%	0.20%	1.56%	2.56%	-8.52%
KOKOMO CITY -						
HARRISON						
TOWNSHI	5.62%	11.28%	5.36%	6.60%	8.25%	-1.24%

KOKOMO CITY - HOWARD TOWNSHIP	37.05%	37.32%	0.20%	1.55%	2.55%	-8.53%
JACKSON TOWNSHIP	11.12%	8.53%	-2.33%	-1.33%	-0.68%	-8.48%
LIBERTY TOWNSHIP	5.20%	2.95%	-2.13%	-1.08%	-0.48%	-8.08%
GREENTOWN TOWN KOKOMO CITY -	-1.78%	-3.06%	-1.30%	-0.32%	0.54%	-9.25%
TAYLOR TOWNSHIP	-3.08%	-2.48%	0.62%	0.01%	0.31%	-9.93%
UNION TOWNSHIP	7.73%	5.30%	-2.25%	-1.23%	-0.61%	-8.36%
CLAY TOWNSHIP	0.90%	-0.63%	-1.52%	0.34%	1.23%	-9.26%
ERVIN TOWNSHIP	7.14%	5.52%	-1.51%	0.34%	1.24%	-9.32%
HARRISON TOWNSHIP	2.05%	8.75%	6.56%	8.90%	10.77%	3.02%
HONEY CREEK TOWNSHIP	6.25%	13.96%	7.26%	9.68%	11.66%	3.72%
RUSSIAVILLE TOWN HOWARD	1.05%	7.02%	5.90%	7.56%	9.76%	-1.00%
TOWNSHIP	0.51%	-1.00%	-1.50%	0.36%	1.24%	-9.28%
MONROE TOWNSHIP	0.51%	7.38%	6.84%	9.25%	11.13%	3.18%
TAYLOR TOWNSHIP	-1.78%	-3.07%	-1.30%	-0.32%	0.54%	-9.25%
Average	1.27%	3.07%	1.18%	2.63%	3.69%	-5.94%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies especially on the significant increases in debt levy, which don't qualify for PTRC or homestead relief.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 - 10% Increase</u>	<u>10 - 30% Increase</u>	<u>30 - 100% Increase</u>	<u>More Than Doubled</u>
Commercial	15.9%	22.2%	58.0%	2.5%	1.2%	0.1%
Industrial	13.4%	9.9%	73.9%	0.8%	2.0%	0.0%
Residential	57.4%	24.1%	16.8%	1.3%	0.4%	0.1%
Overall	47.3%	23.4%	19.6%	7.9%	1.7%	0.1%